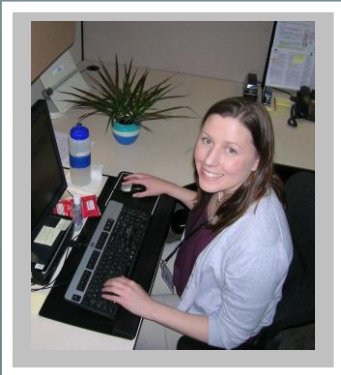


Environmental Loans E-Bulletin

MARCH 2014

VOLUME 3 ISSUE 2 PAGE 1



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Technical/Support Staff:

- **Kay Christensen** – Outreach Coordinator
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- **Cindy Wheeler** – Project Support

The Environmental Loans E-Bulletin is written by staff in the WI DNR Environmental Loans Section to provide up-to-date information on both the Clean Water Fund Program (CWFP) and the Safe Drinking Water Loan Program (SDWLP). These E-Bulletins are sent periodically to alert you to upcoming deadlines, highlight program changes and provide assistance on topics that need clarification.

In this E-Bulletin:

- Rule Revisions for chs. NR 162 and 166 – pages 1 and 2
- CWFP Pilot Projects – page 2
- Consolidated Appropriations Acts – page 2
- SFY 2015 Project Lists available – page 3
- New Outreach Coordinator – page 3
- Upcoming Deadlines – page 3
- SDWLP “non-core” project costs – page 4
- CME cell phone number changes - page 4

CWFP and SDWLP Rule Revisions Update

The DNR has been meeting with external advisory groups to discuss proposed changes to ch. NR 162 relating to the Clean Water Fund Program and ch. NR 166 relating to the Safe Drinking Water Loan Program. Items being discussed include:

- eligible costs;
- priority scoring system;
- options for determining Median Household Income (MHI);
- updating DBE requirements;
- deadlines; and
- the application process.

With respect to eligible costs, we are incorporating many items listed in the eligibility index into the code. The DNR is proposing to update the CWFP scoring process to be a self-scoring system, similar to the SDWLP process and link it more closely with a facility’s permit limits. Both CWFP and SDWLP PERF scores are anticipated to be submitted on-line once the rule is final. Further details on this will be the subject of a future E-Bulletin article.

The groups also discussed moving the deadline for CWFP and SDWLP ITAs and PERFs to October 31st rather than the existing December 31st deadline. This coincides better with municipal budgeting, will help consultants ensure that their SDWLP plans and specifications are completed in time for the June 30 application deadline and helps ensure they are processed in a timely manner outside of the holiday season.

With respect to MHI calculations, the statute requires us to use data published by the US Census Bureau. Income data is now being collected by

(cont’d on page 2)

WI DEPARTMENT OF NATURAL RESOURCES
ENVIRONMENTAL LOANS PROGRAM



CWFP and SDWLP Rule Revisions Update (cont'd)

the American Community Survey (ACS) – a part of the US Census Bureau. We have found that the data collection methodology used by the ACS results in some data initially having a high margin of error due to limited data points. Also, for some smaller locations such as sanitary districts, no data points may be available for which an MHI can be calculated. We concluded that although the data may have inaccuracies, we are required to continue using that data. For sanitary districts where there may not be sufficient data points for the ACS to calculate an MHI, other criteria may need to be used. The DNR is considering allowing sanitary districts the following options for calculating MHIs:

- preparing a map identifying the district boundaries for use by the U.S. Census Bureau in calculating MHI;
- allowing the applicant to use the published MHI for the township in which it is located; or
- if the applicant is located in multiple local government entities, calculating a weighted average MHI (based on population) for their location.

Other items being considered by DNR include the ability to fund infiltration/inflow (I/I) projects using CWFP monies and funding the lining of sewer laterals if a municipality adopts by ordinance an easement for the ownership of those liners. More information on this will be also be forthcoming.

In order to meet the deadline for the June Natural Resources Board meeting, we need to conclude our discussions with the advisory groups by early April. We will be presenting the draft rules to the NRB and asking for approval for public comment and to hold a hearing in July. The rule is anticipated to be final in spring of 2015.

CWFP Pilot Projects

We received several ITAs for pilot projects through the Clean Water Fund Program. We will review these ITAs to ensure there is an associated construction component and will contact those who submitted ITAs for eligible projects to further refine their interest and needs. Since this is truly a pilot program, we will be working through implementation issues as we move forward. If you have questions about the pilot projects, please contact Robin Schmidt at robin.schmidt@wisconsin.gov or 608-266-3915.

Consolidated Appropriations Act of 2014

On January 17, 2014 the Consolidated Appropriations Act of 2014 was enacted. This law provides funding for both the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund. The appropriations act includes additional subsidy in both programs which the CWFP and SDWLP will once again provide as principal forgiveness. Green Project Reserve requirements are continued for the CWFP and are still optional but encouraged for the SDWLP. The legislation also added a new requirement for the Use of American Iron and Steel.

Final allocations were recently provided to the states. **Based on these allocations there will be \$3,094,052 of principal forgiveness for the CWFP and \$4,627,500 of principal forgiveness for the SDWLP.** We expect to allocate the principal forgiveness in the same manner as it has been for the past two funding cycles (see the Intended Use Plans for SFYs 2013 and 2014 for details).

The new requirement for the Use of American Iron and Steel applies to any project where the project plans and specifications were approved by the department on or after January 17, 2014, including projects currently on the SFY 2014 funding list which have not yet closed on loans. EPA is currently working on guidance for the implementation of this new requirement. Part 1 of this guidance is expected to be released next week and will be posted on our website as soon as it is available.

If you have questions related to principal forgiveness, the Green Project Reserve, or the new Use of American Iron and Steel requirement, please contact Becky Scott at 608-267-7584 or rebecca.scott@wisconsin.gov.

REMEMBER TO CONTACT YOUR REGIONAL CME PRIOR TO YOUR PRE-CONSTRUCTION MEETING!

Regional Construction Management Engineers:

Northeast Region:	Bob Hannes	robert.hannes@wisconsin.gov	(920) 366-4208
Northern Region:	Steve Ohm	steven.ohm@wisconsin.gov	(715) 365-8939
South Central Region:	Bernie Robertson	bernie.robertson@wisconsin.gov	(608) 516-3623
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Environmental Loans E-Bulletin

MARCH 2014

VOLUME 3 ISSUE 2 PAGE 3

SFY 2015 Project Lists Now Available!

CWFP Draft Project Priority List (PPL)

The State Fiscal Year 2015 draft CWFP Project Priority List is available on the EL web site at <http://dnr.wi.gov/Aid/LoanNews.html#tabx2>.

The Department received 196 Intent to Apply (ITA) forms including 93 Priority Evaluation and Ranking Forms (PERFs) and 11 Pilot Project submissions (see article above). Letters confirming CWF project priority scores are being mailed to municipalities, who will have 30 days to submit any additional information that may affect their score. The CWFP anticipates finalizing the SFY 2015 Project Priority List by the end of April 2014.

If you have questions regarding the **SFY 2015 CWFP Draft Project Priority List**, please contact Candice Sovinski at candice.sovinski@wisconsin.gov or (608) 264-8986.

SDWLP "Preliminary" Project List

In order to expedite the SDWLP Project Priority List, staff compiled a "preliminary" list of projects and their associated self-scores for communities that submitted a **new** Priority Evaluation Ranking Form (PERF), which can be found at: <http://dnr.wi.gov/Aid/LoanNews.html#tabx2>

The Preliminary Project List, emailed to the municipality and their consultant, includes a column specifying whether self-scored points were reduced due to lack of supporting documentation to justify the requested points*.

Applicants or their consulting firm have until **Wednesday, March 19th** to submit supporting documentation to justify the inclusion of additional project points. These projects, as well as all projects for which SFY 2015 ITA/PERFs were submitted, will be posted on the web at the end of March.

*Supporting information should be emailed to Jim Witthuhn at james.witthuhn@wi.gov or sent to him at the following address: Jim Witthuhn, Bureau of Drinking and Groundwater, PO Box 7921, Madison WI 53717. If you have any questions about the preliminary score, please call Jim at 608-267-9659.

New Outreach Coordinator!

Please welcome Kay Christensen to the Environmental Loans Section as a program support/outreach coordinator for our program! Kay has a degree in graphic design from UW Stevens Point and is quickly learning the intricacies of our program.

In addition to providing general office support, Kay is responsible for the E-Bulletin, revising our Reference Guide, putting materials together for conferences and meetings and developing web training videos.

??? Question from Kay???

Please help me understand how you use the E-Bulletin so I can make it more user-friendly for you.

Email me at this link:

kay.christensen@wisconsin.gov

and let me know if you print the E-Bulletin, if you save it electronically, or if you just refer back to it on our web site.

Upcoming Deadlines!!

March 31st:

for SDWLP supplemental applications

June 30th:

for SFY '15 SDWLP applications

for SFY '15 CWFP Hardship applications

September 30th:

for SFY '15 CWFP PF Applications

Revised application forms are now on the web at:

<http://dnr.wi.gov/Aid/documents/EIF-forms/Forms.html>

WI DEPARTMENT OF NATURAL RESOURCES

ENVIRONMENTAL LOANS PROGRAM

Bureau of Community Financial Assistance
101 South Webster Street
PO Box 7921
Madison WI 53707-7921

Check out our new web site at:
<http://dnr.wi.gov/Aid/EIF.html>

Limited SDWLP “non-core” project costs allowed for SFY 2015 Applications

SDWLP Applications are being revised to include a page for “Non-core Project Costs”. Applicants can identify non-core project activities and associated costs that fall outside of the core project scope but will contribute to the overall functionality or integrity of the system. Costs are limited to the following:

- Up to 5% of the core project costs subject to the limits below:
 - If 5% of core project costs equal \$50,000 or less, then a municipality may request up to \$50,000 for non-core project activities.
 - If 5% of the core project costs are greater than \$100,000, the municipality may request no more than \$100,000 for these non-core project activities.
- In no situation can the amount requested for non-core project activities exceed the cost of the core project.

The DNR will track requests for non-core project costs separately and first allocate loan funds for eligible core project costs in project priority score order. Once allocations have been made for all core project costs, the DNR may allocate funds for non-core project activities, again in order by project priority score. **Principal forgiveness will be calculated on core project costs only.**

Since the SDWLP will now allow non-core project activities to be identified at the time of application submittal, the DNR will restrict the use of contingency funds to cover only those unanticipated costs associated with the construction of the core project. More information on this policy can be found on the web at:

<http://dnr.wi.gov/news/input/documents/guidance/SDWLoanGuidanceFinal.pdf>

CME Phone Number Changes

The CMEs are transitioning to smart phones and turning in their land lines. Please make sure you have the correct numbers for them!

Bob Hannes:	(920) 366-4208
Steve Ohm*:	(715) 365-8939
Bernie Robertson:	(608) 516-3623
Frank Fuja:	(414) 303-1711
Judy Hayducsko:	(715) 491-3290

*cell number not yet available

